

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 SCEM-02 EB-11 INT-08 SIL-01 LAB-06 L-03

TRSE-00 COME-00 H-03 OPIC-12 SCI-06 SS-20 NSC-10

CIAE-00 INR-10 NSAE-00 RSC-01 PA-04 PRS-01 USIA-15

DRC-01 /140 W

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R 121715Z DEC 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 2314

INFO AMEMBASSY LONDON

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMCONSUL MILAN UNN

C O N F I D E N T I A L ROME 13816

E.O. 11652: GDS

TAGS: ENRG, IT

SUBJECT: ENI-SHELL NEGOTIATIONS

REF: ROME 13688, ROME 13559

1. BEGIN UNCLASSIFIED. SHELL ITALIANA PRESIDENT NORMAN BAIN, IN DECEMBER 11 ROME MEETING WITH COMPANY EMPLOYEES AND UNION REPRESENTATIVES, BROKE THE COMPANY'S SILENCE ON NEGOTIATIONS UNDERWAY WITH ENI FOR TAKEOVER BY LATTER OF SHELL ITALIANA. BAIN CONFIRMED THAT NEGOTIATIONS IN "VERY ADVANCED STAGE" AND THAT SHELL'S DECISION TO LEAVE ITALIAN MARKET IS "IRREVOCABLE." AS FOR SHELL EMPLOYEE CONCERNS OVER JOB SECURITY, BAIN RESPONDED THAT THIS WAS MATTER WHICH SHOULD BE ADDRESSED TO ENI.

2. CORRIERE DELLA SERA (DECEMBER 12) SPECULATES THAT AGREEMENT MAY BE SIGNED AS EARLY AS DECEMBER 15 IN ORDER TO BENEFIT FROM PROVISIONS OF A LAW PROVIDING FOR TAX BENEFITS FOR COMPANY MERGERS WHICH REPORTEDLY EXPIRES DECEMBER 15. REPORT STATES, HOWEVER, THAT OFFICIAL ANNOUNCEMENT WOULD BE MADE ONLY DECEMBER

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3. BAIN REPORTED IN DECEMBER 12 IL GLOBO TO HAVE DENIED THAT SHELL WOULD HAVE A SHARE IN THE NEW ENI-CONTROLLED COMPANY. HE STATED THAT SHELL PLANS TO MAINTAIN ONLY ITS CHEMICAL, BUNKERING AND AVIATION FUEL INTERESTS IN ITALY, WHICH EMPLOY ABOUT 100 OF SHELL'S TOTAL 3,600 EMPLOYEES. END UNCLASSIFIED.

4. BEGIN CONFIDENTIAL - COMMENT: ABOVE REPORT SEEMS TO SUGGEST THAT BOTH ENI AND SHELL ARE DETERMINED TO GO THROUGH WITH THE DEAL, REGARDLESS OF THE "GO-SLOW" URGING WE HAVE NOTED FROM CERTAIN GOI CIRCLES (REF A). SHELL ANNOUNCEMENT ADDS MOMENTUM TO NEGOTIATIONS AND MAY BE DESIGNED TO PUT OPPOSITION IN THE DEFENSIVE, SINCE GOI CAN NO LONGER DELAY OR BLOCK THE TAKEOVER WITHOUT ATTRACTING PUBLIC ATTENTION. END CLASSIFIED
BEAUDRY

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Message Attributes

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Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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